

GLOBAL FUND OBSERVER (GFO) NEWSLETTER, a service of Aidspace.

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The Global Fund has lifted the temporary suspension of its five grants to Uganda. The suspension had been imposed in August because of "serious mismanagement of the grants" that was first reported by a Ugandan whistleblower. The Fund lifted the suspension after it reached agreement with the PR and the CCM on new oversight structures within the PR, steps towards CCM restructuring, and measures to evaluate the quality and efficacy of all sub-recipients.

[2. COMMENTARY: Keep the Promise: Round 6 in '06](#)

At its 12th meeting, later this week, the Global Fund board will confront another defining moment in the Fund's evolution: will it support the timely launch of a crucial Round 6, or will it delay that launch, possibly until late in 2006?

[3. NEWS: "Aidspace Guide to Effective Implementation of Global Fund Grants \(Volume 1\)" is Published](#)

Aidspace has published its latest Guide, entitled "*The Aidspace Guide to Effective Implementation of Global Fund Grants – Volume 1: From Grant Approval to Signing the Grant Agreement.*" This 55-page Guide has been written to help CCMs and PRs understand the complex processes that the Fund requires them to undergo before grant disbursements can begin.

[4. DECLARATION: Kigali Declaration](#)

Representatives of East African and Indian Ocean countries issued a statement at a recent Global Fund regional meeting that called upon the people representing them on the Global Fund board to do so more effectively. They also called for Round 5 to be fully funded this year, and urged that Round 6 take place during 2006.

[5. STATEMENT: Stephen Lewis on the Private Sector's Role in Funding the Global Fund](#)

"The Global Fund is in terrible trouble. It is over three billion dollars short for 2006 and 2007... In addition to keeping the pressure on governments, we need a new source of dollars. That source must be the private sector... I want to suggest that companies contribute 0.7% of pre-tax profits annually to the Global Fund. To maintain the symmetry with governments and the Millennium Development Goals, they should phase the money in and reach the full target by 2015."

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The Fund says that 384,000 people have begun ARV treatment through GF supported programs, and that GF supported programs have distributed insecticide treated bed nets to 7.7 million people and have detected and treated more than one million TB cases.

[7. COMMENTARY: Challenges Faced by Round 5 Applicants](#)

Applicants to the Global Fund in Round 5 faced four avoidable challenges: The PDF version of the applications form was very difficult to use; the applications form was overly long and complex; there was confusion concerning what was required for the new Health Systems Strengthening component; and there was insufficient time during the applications window to both design a project and complete the applications process.

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1. NEWS: Global Fund Lifts Suspension of Uganda Grants

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The Global Fund has lifted the temporary suspension of its five grants to Uganda. The Fund originally suspended the grants in late August after it learned, via a Ugandan whistleblower who approached *Global Fund Observer*, of "serious mismanagement of the grants" by the Project Management Unit within the Ministry of Health that was set up to administer them.

On 10 November, an Aide Memoire specifying a basis for restructured management of the grants was signed by the Fund, the CCM, and the Ministry of Finance of Uganda in its capacity as Principal Recipient (PR). The Fund then immediately lifted its grant suspension. Funding for life-preserving program activities had been maintained throughout the suspension period.

Among the actions agreed in the Aide Memoire were the establishment of structures by the PR to effectively oversee the implementation of the five grants; a self-assessment leading to a restructuring of the CCM to ensure effective oversight of the Global Fund grants; a continued involvement of the caretaker management firm Ernst & Young over the next six to nine months to evaluate the quality and efficacy of all sub-recipients of grants; and a restructuring process of the grants to streamline implementation, clarify responsibilities, and simplify grant oversight.

In an article titled "Uganda is learning from its Global Fund grant suspension," the international journal *The Lancet* commented as follows:

The decision to suspend Uganda's five grants – totalling US\$367 million – sent shock waves through a country whose robust response to AIDS is a point of national pride...

"The major challenge is to create credibility," says Chris Kassami, Permanent Secretary in the Ministry of Finance, Planning, and Economic Development, who spearheaded the Ugandan response to the suspension. "We want to demonstrate that this project can be managed well. To us that is the most important thing."

The reputation of the GFATM will be affected, too. Besides Uganda, there have been just two other grant suspensions to date: Burma, in which the grant was terminated outright; and Ukraine, where the Fund has removed all decision-making power from the government and handed it over to an international NGO.

So far, Uganda is the only country which has been allowed to remain at the helm during and after the suspension process. Now that its accounts are unfrozen, it has become a test case for the feasibility of country-driven reform...

[The agreed new] financial controls are designed to prevent the types of financial misconduct identified in the [investigation] report that triggered the suspension, which included inflated "sitting allowances" for individuals attending meetings; irregularities in procurement processes; falsified receipts; and sub-recipients with little or no prior experience in HIV/AIDS.

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2. COMMENTARY: Keep the Promise: Round 6 in '06

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[This is a slightly abbreviated version of a discussion paper offered by the NGO Northern Delegation in advance of the forthcoming meeting of the Board of the Global Fund.]

At the 12th meeting of the Global Fund board, on December 14-15, delegates will confront another defining moment in the Fund's evolution: will the Board support the timely launch of a crucial Round 6, or will it delay that launch, possibly until late in 2006? One of the many reasons that the Fund is such a unique multilateral development assistance model is because it has stuck to an aggressive timetable of launching at least one round of grants per year. However, if a Round 6 is not launched, funded and approved early in 2006, then that impressive track record could be compromised. It is

vitaly important that donors rise to the challenge of a Round 6 in '06 to sustain the momentum the Fund has generated thus far. The three epidemics are not slowing down, and neither can the Fund.

A Board resolution to launch Round 6 must happen by early 2006, or it will be impossible for the Fund to award any new grants next year, and 26 projects whose grants expire at the end of the year will be halted. Due to the current lapse between grant awards, grant signing, and first disbursements, countries may not receive funding until 2007. This could set two dangerous precedents: important projects could expire without having an option for renewal, and a full year could go by without a new round.

In July 2005, the G8 committed to work toward universal treatment access by 2010, which was reaffirmed by governments at the UN World Summit in September. These promises made by world leaders, many of whom are Global Fund donors, require a significant investment of additional resources. There are currently no programs underway to meet the universal access goal, and there are no coordinated funding mechanisms with the capacity to support it. Without an on time launch of Round 6, scaling up to ensure near universal access to treatment by 2010 will be impossible. Launching and approving Round 6 is an early test of the commitment of the G8 and the UN to keeping the promises they made so recently.

Several governments have already stated their opposition to a timely launch of Round 6 based on several false assumptions, or myths. Facts are presented to counter those myths in the following section.

Myths and Facts

Myth: *Round 6 cannot be launched until there is enough money pledged by donors to fund it.*

Fact: Even the Global Fund's conservative, Board-approved funding policy states that Rounds can be launched before donors have pledged sufficient funds to pay for them. In fact, Rounds 4 and 5 both were launched with only a fraction of the funds that were eventually raised from donors. Countries most affected by the three pandemics are clearly demonstrating the need for additional funding, and historically donors have responded to that need. Interrupting that tradition by delaying Round 6 would be an unfortunate precedent.

Myth: *Round 5 still needs funding – it is premature to talk about Round 6.*

Fact: There is now a good chance that Round 5 will be fully funded in 2005; at the time of this writing, the shortfall has been reduced to \$66 million. New funding for a Round 6 becomes even more crucial at this point. Resource needs estimates prepared for the replenishment process were based on the assumption of one new round in 2006, and two new rounds in 2007. A number of donors have made pledges based on this assumption. Failure to launch Round 6 in '06 could jeopardize current donor commitments.

Myth: *Governance and operational issues at the Global Fund must be addressed, before new grants are awarded.*

Fact: The Global Fund is nearly four years old. As it evolves, the Fund will encounter many of the same dysfunctions all young organizations face. None of those growing pains can impede its core mission. The investigation underway at the Fund should not justify stalling the launch and approval of Round 6.

Myth: *Project implementation bottlenecks must be addressed before another round is launched.*

Fact: Over the Fund's short lifespan, each problem it has encountered has been addressed and resolved effectively and with the utmost transparency. While it is true that some grants are facing serious problems because they lack coordinated technical support and sufficient on-the-ground capacity, flaws in Fund processes and systems cannot justify delaying Round 6. The Fund must have the resources and the mandates to improve its systems at the same time that it aggressively fights these three diseases.

Myth: *Countries have reached their absorptive capacities – they cannot handle additional funding.*

Fact: Although funding has increased in many countries, no developing country has enough funding to address all of its treatment, prevention and care needs for all three diseases. In many cases, limited absorptive capacity is a result of insufficient funding for human resources strengthening and other system wide approaches.

Myth: *Donors are doing all they can – there is just not enough money to launch a new round of funding.*

Fact: Donors must meet the pledges and commitments they have made to aggressively combat AIDS, TB and malaria. Agreements articulated in the Millennium Development Goals, the UNGASS Declaration of Commitment, and the recent G8 Summit provide governments with ample political capital; the Fund's solvency and effectiveness is the evidence of whether or not they are spending it wisely. Round 6 must be launched, approved and fully funded if donors are to be held accountable for the promises they have made.

The Financial Feasibility of a Round 6

The Global Fund has estimated that it will need about \$1,100 m. to cover the costs of Round 6. The Fund's current pledges for 2006-7 will be completely used up covering the cost of Round 5 grants plus renewals of grants from Rounds 1-4. Thus, if Round 6 is to be approved in 2006, the Fund must raise new pledges of about \$1,100 m., and/or it must modify its Comprehensive Funding Policy (which specifies that the Fund must place the entire cost of each grant agreement in the bank before signing the agreement.)

Conclusion

The 12th Board meeting is an ideal opportunity for donors and advocates to candidly address the challenges of launching, approving and funding Round 6 in '06. Doing so now could avert the possibility that Round 6 will be delayed, which would inevitably slow the Fund's momentum. That momentum, underway since donors agreed to support and develop this unique multilateral funding mechanism, is a clear indicator of the world's collective response to AIDS, tuberculosis and malaria. Donors can and should sustain that important momentum with Round 6 in '06.

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3. NEWS: "Aidspan Guide to Effective Implementation of Global Fund Grants (Volume 1)" is Published

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Aidspan, publisher of Global Fund Observer, has published its latest Guide, entitled "*The Aidspan Guide to Effective Implementation of Global Fund Grants – Volume 1: From Grant Approval to Signing the Grant Agreement.*" As of Monday December 12, the new Guide will be downloadable at no charge from www.aidspan.org/guides, where several previous Aidspan Guides are already available.

The two-volume *Guide* is designed to help grant recipients understand the processes involved in implementing a newly approved grant, and deal with any problems that may arise during implementation, particularly concerning interactions with the Global Fund Secretariat and the Local Fund Agent. The *Guide* has been written primarily for Country Coordinating Mechanisms (CCMs) and Principal Recipients (PRs), because they are the major actors involved in the initial implementation process. A secondary target audience is Sub-Recipients (SRs) because they also play an important role in implementation.

Volume 1, which is 55 pages long, describes the process from the time a grant is first approved to the time the Grant Agreement is signed. A companion volume – *Volume 2: From First Disbursement to Phase 2 Approval* (provisional title) – will be released in the first half of 2006 and will cover the period from the first disbursement of funds to obtaining approval for the second phase of the grant.

The main sections of *Volume 1* are as follows:

Chapter 1: Introduction and Background

- Overview of the Global Fund
- Structure of the Global Fund
- Overview of the TRP Process

Chapter 2: Responding to TRP Clarifications

- Overview of the Process
- Preparing Responses to the TRP Clarifications
- Obtaining Technical Assistance
- Importance of Good Communications

Chapter 3: Confirmation of the PR Nomination and Selection of the LFA

Chapter 4: The PR Assessment

- Description of the PR Assessment Process
- Accessing the Four Functional Areas
 - Financial Management Systems (FMS)
 - Institutional and Programmatic (I&P) arrangements
 - Procurement and Supply Management (PSM) systems
 - Monitoring and Evaluation (M&E) arrangements
- After the PR Assessment

Chapter 5: Preparing the Final Budget, Workplan and Performance Indicators

- What the Global Fund Requires
- Description of the Process
- Reviewing and Agreeing on the Targets
- Changing the Scope of the Programme

Chapter 6: Negotiating the Grant Agreement

- What the Grant Agreement Contains
- Description of the Process
- Conditions Precedent
- Exemptions from Duties, Tariffs and Taxes
- First Disbursement Preparation
- Programme Starting Date

Aidspan welcomes feedback from readers of the new *Guide*. Because Aidspan plans to produce second (and even third) editions of some of its Guides, feedback will enable improvements to be made in these subsequent editions. Feedback on any *Guide* should be sent to David Garmaise (garmaise@aidspan.org), Aidspan's Senior Analyst and lead author of the Guides.

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4. DECLARATION: Kigali Declaration

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[The following declaration was agreed by representatives of countries of East Africa and the Indian Ocean at a recent Global Fund regional meeting in Kigali, Rwanda.]

We, the representatives of countries of East Africa and the Indian Ocean, participating in "Building on What Works: East Africa and Indian Ocean Regional Meeting" held in Kigali from 28-30 November 2005,

Noting that twenty five percent of the Global Fund's investments have been made in this region, and,

Acknowledging the considerable work that remains to be done to fight HIV/AIDS, tuberculosis and malaria in our countries,

Declare our appreciation for the support The Global Fund to Fight AIDS, Tuberculosis and Malaria has provided for our ongoing struggle to turn the tide of the three diseases, and,

Recognizing that the grants made by the Global Fund to our countries are, for the most part, working well,

Commit to the creation of an enabling environment in our different countries which allows civil society to participate actively in the CCM as well as in the implementation of grants;

Request the Global Fund to ensure the continuation of high-performing grants in countries where no alternative funding is available,

Call on the Global Fund to ensure that Round 5 is fully funded in 2005 so that approved proposals can be financed as soon as possible,

Request the Global Fund to announce that Round 6 will take place in 2006 to ensure the sustainability of the fight against HIV/AIDS, tuberculosis and malaria,

Request the Board Member and Alternate for the Eastern and Southern African constituency to convene a meeting of the constituency as a matter of urgency to discuss constituency management and communications, and to, without delay,

- establish a comprehensive list of contact people for all countries in the region,
- improve communication with countries in the region to ensure that they are informed of developments within the Global Fund,
- establish a communication mechanism for countries in the region to ensure constant access and availability of Board Members and Alternates for country representatives,
- establish a mechanism for consultation and reporting within the constituency to ensure matters of concern are raised and followed-up by the constituency representatives,
- ensure that consultation is undertaken with all countries in the region on all decisions that will be taken at Board Meetings,
- inform countries of key issues in all upcoming Board Meetings and ensure broad participation from countries in the region in delegations,
- ensure that appropriate consultations take place before the Board Meeting in Marrakech in December 2005, in order to ensure that concerns regarding constituency management are addressed by the Board;
- ensure that the voice of the constituency is always heard within the Board.

Agreed in Kigali on 30 November 2005.

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5. STATEMENT: Stephen Lewis on the Private Sector's Role in Funding the Global Fund

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[The following is an excerpt from a statement issued on December 1, World AIDS Day, by Stephen Lewis, Special Envoy for HIV/AIDS in Africa of the UN Secretary-General, and former Canadian Ambassador to the UN.]

The Global Fund to Fight AIDS, Tuberculosis and Malaria – the best financial vehicle by far to help break the back of the pandemic – is in terrible trouble. It is over three billion dollars short for 2006 and 2007, and that shortfall will doom millions to death in the following years unless something drastic is done, and fast.

What has happened was completely unexpected. The G8 leaders met at Gleneagles in July, and emerged with ringing promises of financial assistance for Africa. The first test of those promises came just eight weeks later, in early September, at the replenishment conference for the Global Fund. The G8 flunked the test. The assumption was that the Global Fund would go right over the top given the

rhetoric of the Gleneagles Summit, but instead, having requested \$7.1 billion, the Global Fund fell billions short.

It's fair to say that everyone was stunned. It took only eight short weeks for the G8's signed agreement to fall apart.

I've just spent the last three days in Rwanda at the regional conference of the Global Fund for East Africa and the Indian Ocean. It's absolutely astonishing to see how determined the countries are to achieve the goal of universal treatment by 2010, but they're frightened by the prospect of not having sustainable resources. They know they can't interrupt treatment once it's started, but what guarantee do they have, under present circumstances, that the G8 will be by their side as promised?

All they can count on, for certain, is betrayal.

That must somehow be reversed. The year 2005 showed that treatment is possible in great numbers, and there is a strong sense that if the momentum can be sustained, the back of the pandemic can be broken. But that will depend on a continuing, reliable flow of resources. It depends on the commitments of the G8 being honoured. With the loss of honour goes the loss of life.

However, in addition to keeping the pressure on governments, we need a new source of dollars. That source must be the private sector. It was always hoped – indeed, even expected – that private sector money from major multinational corporations would help to keep the Global Fund going. It hasn't happened. The contributions are negligible. It's as though most of the private sector doesn't know the Global Fund exists.

I want to suggest that companies contribute 0.7% of pre-tax profits annually to the Global Fund. To maintain the symmetry with governments and the Millennium Development Goals, they should phase the money in and reach the full target by 2015. Which corporations? Pretty obviously, I think, the big multinational corporations that have exacted such huge wealth from Africa's mineral, diamond, oil and other resources over the decades, and certainly the pharmaceutical industry, which resisted the lowering of drug prices for an unconscionable length of time.

But there may be an even better and fairer way to select the corporate contributors. The Global Business Coalition on HIV/AIDS has a membership of some two hundred multinational corporations. Many of these corporations deal admirably with their workforces, providing antiretroviral drugs to their workers where necessary, and sometimes to the workers' partners and children. Others of these corporations make in-kind contributions, or investments in research and training centres. But the true expression of corporate social responsibility would be a 0.7% contribution to the Global Fund. If the principle spread, the dollars would mount unto the billions.

There's no reason to feel cynical about such a proposition. People mocked when Gordon Brown talked of his International Finance Facility, but now it's well and truly launched. People mocked when France advanced the idea of a tax on airline travel to fund development, but now President Chirac seems determined to proceed. There's room for every genuine initiative.

This effort would show the world that the pandemic can be beaten.

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6. PRESS RELEASE: New Data on Global Fund Results
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[The following press release was issued by the Global Fund on World AIDS Day, 1 December 2005.]

Global Fund Grants Deliver Substantial New Results – 75% Increase in AIDS Treatment and 150% Growth in Distributed Bed Nets in Six Months

With 323 grants to combat HIV/ AIDS, TB and Malaria in 130 countries, Global Fund grants are proving that where money is invested, treatment and prevention efforts are working.

Newly compiled performance results show that as of end November, 384,000 people have begun Antiretroviral (ARV) treatment through Global Fund supported programs – up from 220,000 six months ago, and nearly triple the number of ARV recipients funded by Global Fund resources one year ago.

Taken together, Global Fund supported programs to combat malaria expanded distribution of insecticide treated bed nets to 7.7 million, up from 3.1 million six months ago. In addition, tuberculosis programs have detected and treated more than one million TB cases through DOTS (Directly Observed Short Course Treatment).

“There has long been a sense that these epidemics are overwhelming, but we now see that investments work,” said Richard Feachem, the Executive Director of The Global Fund to Fight AIDS, Tuberculosis and Malaria. “These results are exciting, and they are good as they are solely due to the tremendously hard and courageous work done by thousands of health workers around the world.”

Results at a Glance

Intervention	Dec 2004	May 2005	Dec 2005	Increase since May 2005
HIV: People on ARV treatment	130,000	220,000	384,000	75%
TB: Cases treated under DOTS	385,000	600,000	1 million	67%
Malaria: Insecticide-treated nets distributed	1.35 million	3.1 million	7.7 million	150%

Global Fund support for efforts to combat HIV account for 56 percent of the Global Fund portfolio, and the newly released figures put these grants slightly ahead of schedule to achieve the target of 1.8 million ARV recipients by the end of their five-year lifespan. Global Fund grants to combat HIV/AIDS contain both treatment and prevention components, with allocation of resources to these service categories at approximately half to each, across the portfolio of HIV/AIDS grants. Figures reflecting support for prevention as well as treatment programs by Global Fund grants include 3.9 million people provided with HIV testing and counseling, and 7 million people reached with community outreach prevention.

Over the past three years, Global Fund financing has enabled nearly 30 countries to change from malaria drugs which have become increasingly ineffective to the new artemisinin-based combination therapy (ACT), which has the potential to drastically reduce mortality from malaria among children and pregnant mothers. In some countries, Global Fund grants have also provided new long-lasting insecticide treated bed-nets, which afford more durable, effective protection against malaria to vulnerable populations. The roll-out of ACT or other effective combination therapies and bed nets – in combination with targeted insecticide spraying and strengthening of expertise, infrastructure and training – is expected to reduce malaria mortality in large parts of Africa in the coming years.

On average, data compiled shows that grants to combat all three diseases are exceeding targets set out in their respective grant agreements, which serve as the basis of the Global Fund’s performance based grant evaluation. The new results released today represent the aggregation of numbers issued directly from reports on progress by individual grants.

The Global Fund currently contributes one quarter of all external donor resources worldwide to combat HIV/AIDS, two thirds of all external resources against tuberculosis, and well over half of all donor resources against malaria. While the new treatment and prevention figures demonstrate the Global Fund’s expanding track record in saving lives, raising awareness among vulnerable populations and preventing further infections, the Global Fund’s funding gap for years 2006 and 2007 threatens to curtail the momentum of funded programs as well as funding for new rounds of grants.

“The Global Fund needs substantial new resources over the next two years to continue its current financing and to begin to replace grants that have come to the end of their lives,” says Carol Jacobs,

the Chair of the Global Fund Board. "We can see that money already spent saves lives and strengthens countries' abilities to fight the three pandemics. These are necessary investments."

At present, just 23 out of the 63 Round 5 grants recommended to the Board for approval have been funded due to the Global Fund's resource shortfall for 2005. Additional Round 5 grants are expected to be approved by the Board in tranches as funds become available. With respect to future rounds of grants and continuation of currently-approved grants into a second phase, the Global Fund has received pledges for nearly US\$ 4 billion against resource needs estimated at US\$ 7 billion through 2007.

Expected outcomes of grants approved in Rounds 1 - 5 after five years*:

- More than 1.8 million people on antiretrovirals
- 62 million clients reached with voluntary counseling & testing services for HIV
- Over 1 million orphans supported through medical services, education and community care
- 5 million additional tuberculosis (TB) cases treated under DOTS treatment strategy
- 264 million artemisinin-based combination treatments for drug-resistant malaria delivered
- 109 million bed nets financed to protect families from the transmission of malaria

* Note that these figures include Round 5 proposals that are as of this date pending for approval subject to availability of sufficient additional funding

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7. COMMENTARY: Challenges Faced by Round 5 Applicants

by David Garmaise

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In a Commentary in GFO #18, in February 2004, Bernard Rivers described six challenges faced by applicants submitting proposals for Round 4 (see www.aidspace.org/gfo/bydate). In Round 5, applicants faced many of the same problems, plus some new ones. There is much about the applications process that could be improved. Now is the time to fix these problems, while we wait for a decision to be made concerning the timing of the sixth round of funding.

In his Commentary on the Round 4 application process, Bernard identified the following challenges:

1. The application form was too long and complex.
2. The application form questions were sometimes ambiguous.
3. The online version of the application form was unusable for many applicants.
4. There was insufficient technical assistance available to applicants.
5. There was confusion regarding the role of the private sector in applications to the Global Fund.
6. There was uncertainty concerning how to bundle mini-applications (i.e., the mini-proposals prepared by stakeholders in-country for roll-up into the national proposal).

In this article, I would like to outline some additional challenges faced by applicants in Round 5.

Challenge 1: The PDF version of the applications form was very difficult to use.

In Round 4, there were four different versions of the applications form: a Word version, a read-only PDF version, an online version and a CD-ROM version (which was similar to the online version). Applicants experienced a lot of difficulty with the online version, and the Global Fund Secretariat abandoned it for Round 5. In its place, the Secretariat came up with an interactive PDF version, one that permitted the applicant to enter information on the form (which the Round 4 read-only PDF version did not do) and that had a lot of built-in intelligence.

Unfortunately, the Secretariat did not allow sufficient lead-time for the development of the PDF version. In fact, the PDF version was not even available until a full month after the call for proposals was issued (while Secretariat staff scrambled to remove all the bugs). The end result was a form that was

not very user-friendly and that was difficult to navigate. The Secretariat produced an instructions document for the PDF version that itself was over 50 pages long and difficult to follow.

Examples of the problems applicants experienced with the PDF version included the following:

- Because of the size of the file or the instability of the program, or both, the program would freeze on many computers, often resulting in the loss of data.
- Sections that were supposed to expand to accommodate more data either would not expand or would cause the font to shrink to a ridiculously small size.
- It was difficult to enter data for more than one Principal Recipient (PR); sometimes the program only retained data for the first PR.
- The form was not very flexible. Many sections were not designed to accommodate additional data. To add some information beyond what the instructions called for, the applicant was forced to attach an annex.

There were also inconsistencies between the PDF version and the Word version. (There were only two versions of the applications form available in Round 5: the PDF version and the Word version.)

The problems led Aidspan to recommend (in *The Aidspan Guide to Round 5 Applications to the Global Fund*) that applicants not use the PDF version unless they had people on their team with considerable expertise using computer software programs, or unless they were prepared to spend a lot of time on the phone talking to the support people in the Secretariat.

Of the 168 proposals submitted in Round 5, only five used the PDF version of the proposal form.

Recommendation: A PDF version of the applications form (or something similar) has the potential to save both applicants and the Secretariat time and energy (because of the form's built-in intelligence). But the first rule for any proposal form is that it must be easy for applicants to use. If the Secretariat is planning to provide a PDF version of the applications form for Round 6, it should (a) keep it simple and (b) develop and field test the form well in advance of the call for proposals. If any new form has not been fully developed and tested in time, then it should not be used for Round 6.

Challenge 2: The applications form is still overly long and complex.

Although the Word version of the Round 5 applications form was much easier to use than the PDF version, the applications form itself was too long and complicated, and contained questions that were ambiguous. These were the same problems that we identified in Round 4, though it must be said that the Round 5 version of the applications form was an improvement over previous versions.

The Word version of the Round 5 Proposal Form is 31 pages long, not including the informational annexes. While it is true that no single applicant had to complete all parts of the form, it was still considerably harder to fill in the form than it would be to complete a fairly sophisticated tax return.

Examples of the problems applicants encountered when filling out the Word version included the following:

- Instructions were sometimes confusing.
- There were discrepancies between the instructions on the applications form and the guidance provided in the Guidelines for Proposals.
- It was not clear how to enter data when there were multiple PRs.
- It was not clear how to enter data for multiple countries (for proposals covering more than one country).
- Checking a box was a very convoluted procedure.

Recommendation: We think that the Secretariat should continue to offer a Word version of the application form even if more sophisticated versions are developed for future rounds. However, the Secretariat should make the form simpler, clearer and easier to use. The Secretariat should design

and field test a new Word version of the applications form well in advance of the call for proposals for Round 6. The Secretariat should also formally evaluate the Word version (and other versions) after each round of funding is completed.

Challenge 3: There was confusion concerning what was required for the new Health Systems Strengthening component.

Round 5 was the first time that applicants could submit a component on Health Systems Strengthening. Unfortunately, it was assumed that relatively minor modifications to the components section of the proposal form were all that was necessary to accommodate this change. But it was not as simple as that. The health systems component is quite different from the disease-specific components. Some of the questions in the first few sections of the proposal form made sense in the context of the various disease-specific components, but not in the context of health systems strengthening. Perhaps a separate proposal form for Health Systems Strengthening would have made more sense. Again, the lesson here is that the proposal form needs to be designed and tested well in advance of the call for proposals.

In addition, the guidance concerning the new Health Systems Strengthening component provided by the Global Fund was limited and should have been improved. Applicants were confused, for example, about whether all activities designed to strengthen health systems had to be included in a health systems strengthening component, or whether they could still be included in a disease-specific component.

Challenge 4: There was insufficient time during the applications window to both design a project and complete the applications process.

The applications window stretches from the time the call is made to the date the application has to be submitted. In Round 5, this window lasted about 12 weeks.

Many applicants found that this was not enough time. One of main reasons for this is that applicants wait until the call for proposals before designing the project or projects that they would like to have funded. Designing a project is a time-consuming process. There is usually not enough time in a 12-week period to both design a project from scratch AND complete the application (including obtaining the necessary approvals and signatures). The problem is made more acute by the practice (which we endorse) of having CCMs solicit mini-proposals from interested stakeholders in-country before putting together their applications. The solicitations process alone takes considerable time.

However, there would be enough time in a 12-week period to put the finishing touches to a project that had already been designed, and to complete the application. Ideally, therefore, applicants should have their projects ready by the time a call is issued. Unfortunately, this happens only rarely.

Recommendation: Potential applicants should be designing their projects well in advance of the call for proposals. The Global Fund Secretariat should actively encourage this practice. One way of doing this would be for the Secretariat to issue an alert three or four months prior to a call for proposals being issued. The alert would not only announce that a call is imminent, but would also encourage potential applicants to start the process of designing their projects.

[David Garmaise (garmaise@aidspan.org), Aidspan's Senior Analyst, is author of several Aidspan Guides.]

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END OF NEWSLETTER
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This is an issue of the GLOBAL FUND OBSERVER (GFO) NEWSLETTER.

GFO is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria (www.theglobalfund.org). GFO is emailed to 9,000 subscribers in 170 countries once to twice a month.

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